

Message Text

LIMITED OFFICIAL USE

PAGE 01 SINGAP 01031 130901 Z

15

ACTION EB-11

INFO OCT-01 EA-11 ADP-00 COME-00 INT-08 HUD-02 CIAE-00

INR-09 NSAE-00 RSC-01 L-03 RSR-01 /047 W
----- 037674

R 130836 Z MAR 73
FM AMEMBASSY SINGAPORE
TO SECSTATE WASHDC 8488
INFO AMEMBASSY JAKARTA
AMEMBASSY KUALA LUMPUR
AMEMBASSY MANILA
AMEMBASSY TAIPEI
AMEMBASSY TOKYO

LIMITED OFFICIAL USE SINGAPORE 1031

E. O. 11652: N/ A

TAGS: ETRD, XE

SUBJECT: HARDWOOD EXPORTS TO US

REF: A. STATE 041089; B. SINGAPORE 0847

1. MEMBERS SINGAPORE MALAYSIA PLYWOOD MANUFACTURERS ASSN.
AGREED TO PRESENT UNITED FRONT US AND EUROPEAN BUYERS BY
REQUESTING 48 PERCENT PRICE INCREASE ON EXISTING CONTRACTS.
APPARENTLY THEY HAVE SETTLED AT 35 PERCENT INCREASE. THESE
PRICES WILL BE INCREASED IN FUTURE CONTRACTS AS ACCORDING
SINGAPORE MALAYSIA PLYWOOD ASSN., 35 PERCENT INCREASE STILL DOES
NOT COVER COSTS. RAW MATERIAL REPRESENTS 65-70 PERCENT OF FINAL
PLYWOOD COST.

2. WEYERHAEUSER REPORTS IT ALREADY ON MAXIMUM
PRODUCTION SCHEDULE. WHILE NUMEROUS SMALL LOGGING
COMPANIES CAN EXPAND LOG HARVESTING, DEMAND WILL REMAIN
PRIMARY DETERMINANT LOG PRICES THIS YEAR. IF TRUE AS
RUMORED THAT JAPAN WILL REMOVE 20 PERCENT IMPORT DUTY,
SITUATION WILL BE EXACERBATED UNLESS JAPAN INTERNAL DEMAND
SLACKENS CONSIDERABLY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SINGAP 01031 130901 Z

3. RE REF A, PARA 2, B & C, SINGAPORE COURTS WOULD GIVE FAIR HEARING TO ANY BREACH OF CONTRACT CASE BROUGHT BEFORE THEM. US LAWYER ADVISES HOWEVER THAT 100 PERCENT INCREASE IN COST OF RAW MATERIAL AND EVIDENCE SHOWING THAT 40-50 PERCENT LOSSES WOULD RESULT FROM HONORING CONTRACTS MIGHT BE CONSIDERED EXTRAORDINARY AND UNFORESEEN CIRCUMSTANCES WHICH COULD JUSTIFY RENEGOTIATION CONTRACTS.

4. SINGAPORE MALAYSIA PLYWOOD ASSN. HAS INQUIRED ABOUT POSSIBILITY US REMOVAL 20 PERCENT PLYWOOD IMPORT DUTY. EMBASSY SAID WAS UNABLE ADVISE BUT IN VIEW RESTRICTIONS ON US LOG EXPORTS, SPIRALLING LOG PRICES AND PLYWOOD SHORTAGE IMPORT DUTY ON PLYWOOD WOULD NOT DOUBT BE ONE OF FACTORS TO BE SERIOUSLY REVIEWED.
CRONK

LIMITED OFFICIAL USE

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 13 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973SINGAP01031
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: SINGAPORE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730325/aaaahmgw.tel
Line Count: 83
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 STATE 41089, 73 SINGAPORE 847
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 31 OCT 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31-Oct-2001 by martinml>; APPROVED <21-Nov-2001 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 971119
Subject: HARDWOOD EXPORTS TO US
TAGS: ETRD, XE
To: AIT TAIPEI
EB
JAKARTA
KUALA LUMPUR
MANILA
SECSTATE WASHDC
TOKYO

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005